



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 31, 2006

CERTIFIED RETURN RECEIPT 7002 0510 0003 8603 2427

Star Stone Quarries, Inc.
Lon Thomas
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Five-Year Review of Reclamation Surety Estimate, Star Stone Quarries, Inc., Cotton Thomas Operations, M/003/024, Box Elder County, Utah

Dear Mr. Thomas:

Thank you for providing the information requested for the five-year review of the Cotton Thomas Operations. The Division finds based on the information reviewed along with a site visit, that the only changes required for the reclamation cost estimate is a five-year escalation. The surety escalated to the year 2011 is \$114,900. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than March 31, 2006.

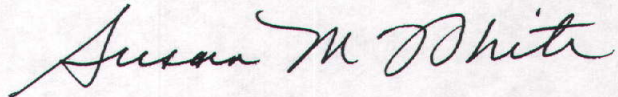
The request to add additional acreage to the permit area was received with the maps for this review, received January 30, 2005. The request is denied because it is a separate permitting action and should be requested as an application to amend the plan. A copy of the form MR-REV is available on the Division's website.

Please contact Beth Ericksen at (801) 538-5318 (BethEricksen@utah.gov) to obtain the current bonding forms and information to amend the reclamation contract. Current bonding forms and information are also found on the Division's web page at <http://ogm.utah.gov/minerals/>. Please fax a "draft" copy of the documents to (801) 359-3940 for review prior to finalizing the surety.

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Lon Thomas
M/003/024
January 31, 2006

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:jb

Attachment: Surety estimate update

cc: Mike Ford, BLM, State FO
Doug Jensen, DOGM
Beth Ericksen, DOGM

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SURETY ESTIMATE UPDATE

12-Jan-06

Star Stone Quarries, Inc.

Cotton Thomas Operations FILE # M/003/024

Box Elder County

Prepared by Utah Division of Oil, Gas & Mining

Last Update 7-Aug-00

DESCRIPTION:

-Previous reclamation surety estimate was \$90,174 in year 2000 dollars

-Reclamation Estimate base amount calculated in 2000-\$

-This update adjusts the surety amount for escalation only.

Reclamation of surface rock removal areas will include ripping and seeding

Other disturbed areas will receive a minimum of 2" of topsoil, 10 tons/acre composted manure & seed.

Areas which were granted a variance from reclamation requirements listed on original bond estimates.

-Escalation factors through 2004 are actual Means Historical Cost Indices

-Total disturbed area = 66.3 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
F = Future Sum	1996	0.0242	\$0.00
P = Present Sum	1997	0.0236	\$0.00
i = Escalation Factor	1998	0.0502	\$0.00
n = number of periods	1999	0.0191	\$0.00
	2000	0.0244	\$90,174
Three Yr Average = 1.20%	2001	0.0421	\$93,970
Used to Project 5 Yrs	2002	0.0171	\$95,577
From the Year 2005	2003	0.0840	\$103,606
	2004	0.0200	\$105,678
	2005	0.0120	\$106,946
	2006	0.0120	\$108,229
	2007	0.0120	\$109,528
	2008	0.0120	\$110,842
	2009	0.0120	\$112,173
	2010	0.0120	\$113,519
	2011	0.0120	\$114,881

Updated Surety Amount Rounded (2011-\$)

\$114,900

** Average cost per acre = 1733 (\$/ACRE)